To: Albuquerque Housing Authority Board of Housing Commissioners

From: Dan Foster, Housing Development Director

Date: October 16, 2024

Re: Executive Communication 2024-05, Request for Proposal (#P2501) Casitas del Camino General Contractor – Contract Award

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Background:
In 2012, Congress authorized the Rental Assistance Demonstration (RAD) to test a new way of meeting the large and growing capital improvement needs of the nation's aging public housing stock. Properties "convert" their assistance to long-term, project-based Section 8 contracts. These new contracts provide a more reliable source of operating subsidy that allow PHAs and owners to safely leverage private capital – typically debt and equity – in order to finance the property rehabilitation or replacement.

On May 19, 2021, the AHA Board of Housing Commissioners approved Resolution 2021-10 Authorizing Submission of HUD Rental Assistance Demonstration Program Application for the property located at 112 - 232 60th Street NW, Albuquerque, New Mexico ("60th Street") with the intent of rehabilitating existing Public Housing units and construction new affordable units on the adjoining Knotts Landing Court parcel (collectively, "Casitas del Camino") to allow for the use of Low-Income Housing Tax Credits, public or private debt, and grant funds for the redevelopment of the property.

On December 21, 2022, the AHA Board of Housing Commissioners approved Resolution 2022-28 Regarding the Financing of the Rehabilitation of 60th Street and Construction of Knotts Landing Court, and Provision of a Land Lease and Subordinate Loan authorizing: 1) the submission of an application by AHA to the New Mexico Mortgage Finance Authority for Low Income Housing Tax Credits; 2) the submission of applications, or issuance of solicitations, by AHA for any other public or private sources of funding needed to affect the rehabilitation 60th Street and construction of Knotts Landing Court; 3) enter into a Development Agreement with the City of Albuquerque for the $3.5 million Workforce Housing Trust Fund grant and ratifies prior actions taken by the Executive Director or her designee to secure the funds; 4) enter in to enter in to a long-term lease commitment for the land and buildings with the to-be-formed limited partnership, which will allow the lessee to rehabilitate the existing units at 60th Street and construct new units at the Knotts Landing Court site; 5) obligate AHA to provide limited financial guarantees or financial obligations related to the rehabilitation of 60th Street and construction at the Knotts Landing Court; and 6) make other necessary and proper decisions needed to move the project forward.

AHA issued a Request for Proposal (#P2501) Casitas del Camino General Contractor. The RFP was posted through the National Association of Housing and Redevelopment Officials (NAHRO) procurement advertisement website. AHA received two proposals before the proposal deadline. Proposals were received from Pavilion Construction, LLC, and HB Construction, Inc.

Discussion:
Proposals received by AHA were evaluated based on a number of factors as outlined in the table below.

Factor Type	Maximum Points
Experience	20
Capacity	20
Approach & Methodology	25
Price/Fee	20
Section 3 Business	15

The proposal from HB Construction, Inc. ranked highest by all review committee members on all factors.

Recommendation:
Staff requests Board approval to execute a contract with HB Construction, Inc. in an initial amount not-to-exceed $20,500,000.00 (excluding gross receipts tax) for the construction of Casitas del Camino pending successful negotiations. In the event that negotiations fail with HB Construction, Inc, staff requests Board approval to execute a contract with Pavilion Construction, LLC in an initial amount not-to-exceed $20,500,000.00 (excluding gross receipts tax) for the construction of Casitas del Camino, pending successful negotiations.

By voting to formally approve receipt of this Executive Communication, the AHA BOARD OF HOUSING COMMISSIONERS, the governing body of the AHA does:

1. Authorize the Executive Director, at the Executive Director's discretion, or designee to execute a contract with HB Construction, Inc in an initial amount not-to-exceed $20,500,000.00 (excluding gross receipts tax) for the construction of Casitas del Camino in Request for Proposals #P2501, pending successful negotiations.

2. In the event that negotiations fail with HB Construction, Inc, Authorize the Executive Director, at the Executive Director's discretion, or designee to execute a contract with Pavilion Construction, LLC in an initial amount not-to-exceed $20,500,000.00 (excluding gross receipts tax) for the construction of Casitas del Camino, pending successful negotiations.

PASSED this 16th day of October 2024

BY A VOTE OF 3 FOR, AND 0 AGAINST.

Members Absent: Skowran, Parsons

Members voting against: _____

ALBUQUERQUE HOUSING AUTHORITY
BOARD OF HOUSING COMMISSIONERS

By: /s/ Rayellen Smit
Rayellen Smith, Chairperson of the Board

ATTEST:
/s/ Linda Bridge
Linda Bridge, Secretary to the Board and Executive Director